



Department of Housing and
Community Development

Housing Opportunities for Persons with AIDS Competitive Special Project (HCSP)

Acquisition, Rehabilitation or Construction
October 8, 2004 NOFA Release

APPLICATION MANUAL

*Department of Housing and Community
Development
The Jackson Center
501 North Second Street
Richmond, Virginia 23219*

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

KEEP THIS PROGRAM GUIDE FOR FUTURE REFERENCE

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APPLICATION

Purpose

The Housing Opportunities for Persons with AIDS Program (HOPWA) funds are provided through the appropriations from the U.S. Department of Housing and Urban Development (HUD) and administered by the Department of Housing Community Development (DHCD).

The Housing Opportunities for Persons with AIDS Competitive Special Project (HCSP) funds are awarded under a competition to select model projects or programs involving acquisition, rehabilitation or new construction. Funds are offered as a grant in an amount up to \$250,000 for each individual project.

Eligible Applicants

Eligible applicants are those sub-grantees who have been awarded HOPWA funds by DHCD in *Fiscal Year 2005* who currently provide, or plan to provide, services to persons with HIV/AIDS and their families in Virginia.

Eligible Activities

HCSP funds may be used for acquisition, rehabilitation, and/or new construction costs of structures to be used where HOPWA program beneficiaries will reside. HUD regulations require that activities funded under HOPWA meet urgent needs that are not being met by available public and private sources. They also require that any building or structure assisted under this program be operated for the purpose specified in the plan: (1) for at least 10 years in the case of assistance involving new construction, substantial rehabilitation, or acquisition of a facility, (2) for at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

Ineligible Activities

HCSP funds are not available for office space, operating costs of supportive housing, including personnel; acquisition, rehabilitation or new construction of facilities where supportive services only are to be provided; or the direct provision of supportive services. Funds may not be for luxury improvements, construction or rehabilitation prior to the approved project period, construction or rehabilitation that is unrelated to the housing facility, construction or rehabilitation for facilities that do not provide residential accommodations, or operational and administrative expenses.

Threshold Requirements

All applicants must meet or exceed all the following threshold requirements before a project can be evaluated (see Appendix I - Description of Threshold Requirements):

- Public Purpose
- Program Design
- Project Readiness
- Project Feasibility
- Administrative Capacity

Timely Expenditure of Grant Funds

Award letters indicating a HCSP funding reservation will expire after 18 months from the date the commitment is executed if project is not completed. Projects that cannot be completed within this time frame must request an extension from DHCD and provide a reasonable explanation for the delay in completing the project. Extensions will be granted at the discretion of DHCD.

Grantees must initiate acquisition activities no later than 90 days following execution of HCSP Funds Grant Agreements. Grantees must initiate rehabilitation or new construction activities no later than 120 days following the execution of the HCSP Funds Grant Agreement.

Occupancy Requirements

HCSP funds may be used only to provide housing for low-and-moderate income persons with HIV/AIDS and their families. All project sponsors will be required to reserve one hundred percent (100%) of the units assisted with HCSP funds for persons with incomes below eighty percent (80%) of the area median income, as published by the U.S. Department of Housing and Urban Development (www.hud.gov).

Displacement Policy

Projects, which cause displacement of individuals or families, are discouraged. If displacement will occur, applicants must include information on the number of tenants to be displaced, income level and the length of displacement (i.e., temporary or permanent). Applicants must also provide a proposed relocation plan and procedures as part of their application.

Affordability Period

Projects financed with HCSP funds are to house HOPWA beneficiaries for a time period of (1) for at least 10 years in the case of Projects involving new construction, substantial rehabilitation, or acquisition of a facility, or (2) for at least 3 years in the case of Projects involving non-substantial rehabilitation or repair of a building or structure – as mandated by the HUD regulations contained at 24 CFR Part 92.

Site Visits

Award recipients are ***subject*** to annual site visits by Department staff to insure that all applicable HCSP regulations are being met. This includes an inspection of all files concerning HOPWA beneficiaries residing in HCSP-assisted units. ***Certifications of income, rent calculations and lease agreements, if applicable, must be submitted to the Department annually.***

Facility Inspections

All facilities or housing units assisted with HCSP funds will be inspected for compliance with Housing Quality Standards (HQS). An annual fire inspection report must be submitted to the Department during the affordability period. A Fire Inspector must complete this report and the report must state that the facility is in compliance with the Statewide Fire Protection Code. If a facility is found out of compliance, a plan of action to correct the violations should be submitted with the report.

Conformance with Building Codes

Housing that is newly constructed or substantially rehabilitated must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances. Newly constructed housing

must meet the current edition of the Model Energy Code published by the Council of American Building Officials.

Grant-to-Value Ratio

The grant-to-value ratio is based on the appraised value of the structure after construction or after completion of rehabilitation activities. In some cases, at the discretion of DHCD, the assessed value may be substituted for an appraisal. A grant-to-value ratio of up to one hundred percent (100%) will be considered. Under special circumstances, DHCD may permit a higher ratio. Under no circumstances will the HCSP award exceed actual cost.

Underwriting

DHCD staff will review proposed projects and preliminary underwriting performed. The length of the underwriting phase will depend on the circumstances of each individual application, but will take a minimum of 90 days. If an applicant is approved for a HCSP award, a commitment will be issued accompanied by the appropriate grant agreement. During the underwriting phase, the applicant may be asked to submit a fee to cover the cost of an appraisal. The applicant should not order an appraisal; if an appraisal is necessary, DHCD will notify the applicant.

Loan Security Requirements

ALL HCSP funds will be secured by a lien placed on the property. The lien will remain in place until the grant term has expired. The HCSP program requires a first or second lien position. A subordinate lien position will be accepted only when there is an existing mortgage or when the primary financing is being provided from another source.

Audits

Award recipients should submit the following during the affordability period specified in the HCSP Funds Grant Agreement:

1. Organizations receiving more than \$500,000 in total federal grant awards annually are required to submit an annual independent audit in accordance with federal audit standards.
2. Organizations receiving less than \$500,000 in total federal grant funds should submit financial statements in accordance with DHCD guidelines.

Grant Requirements

The following are typical grants requirements under this program, as appropriate for each individual project:

- Deed of Trust
- Grant Agreement
- Request for Disbursement
- Survey and Surveyor's Certificate
- Title Insurance Policy
- Insurance Policies and Certificates
- Form of Lease
- Certificate of Tenant Eligibility
- Building Permits
- Certificate of Occupancy
- Verification of Taxpayer Identification Number
- Phase I Environment Assessment
- AIA Owner-Architect Agreement
- AIA Construction Contract
- Special Conditions
- Environmental Review Record
- Title Insurance Policy
- Hazard and Liability Insurance Policies
- Termite Inspection and evidence of treatment, if necessary

Funds for Acquisition

Pending publication of the *Finding of No Significant Impact/ Notice of Intent to Release Funds* notice and completion of the required public comment period, funds will be provided at the scheduled closing date in one lump sum. If funds are not available by the date of closing, funds will be disbursed on a reimbursement basis. The grantee is responsible for advising the Department in advance of closing dates and expectations for payment.

Funds for New Construction or Rehabilitation

Funds will be disbursed in three (3) increments of 30% as the project is being completed and a final payment of no less than 10% when project is completed. Disbursement of funds will be according to the following parameters:

- Funds will be disbursed in order of lien position.
- Receipts and/or invoices must be presented with each request for disbursement.
- Department Staff will conduct a physical inspection of work completed, before **each** drawdown.
- No funds will be disbursed until the work meets the Department's satisfaction.
- The grantee is responsible for contacting Department staff to schedule inspections.
- The final 10% is disbursed after a final “punch list type” inspection is conducted and the local building official has issued a Certificate of Occupancy.
- The final drawdown cannot be less than 10% of the total commitment amount.
- No disbursements will be made following request of the final 10% payment.
- The total amount disbursed cannot exceed the assessed value of the existing facility and / or land.

*** IMPORTANT ***

The grantee is responsible for meeting all general contractors and subcontractors' payment schedules if a HCSP disbursement cannot be made within the schedule. Grantees with limited cash flow are advised to obtain a *Line of Credit* with a financial institution to meet new construction or rehabilitation contract obligations.

Assumptions

Grants made under this program shall be assumable, with the permission of DHCD, so long as the property use, income and occupancy restrictions, housing condition, and other state requirements are observed by the owner.

Reporting and Monitoring

- Income Certifications are required at initial occupancy for each household entering a housing project with annual re-certifications as appropriate. Project sponsors must submit a tenant roll, including the income of each tenant household, to DHCD on an annual basis.
- Physical inspections will be made on a regular basis for compliance with HQS and all performance requirements.
- Projects sponsors are required to submit an annual audit or audited financial statements for each year of the term of the HCSP grant.
- An annual fire inspection report, completed by a Fire Inspector, must be submitted to DHCD. This report should state that the facility was found to be in compliance with the Statewide Fire Protection Code. If a facility is found not to be in compliance, a plan of action to correct the violations should be submitted with the report. Reports of re-inspection by the Fire Inspector must be submitted as soon as they are available.

Supportive Services

The HCSP program is designed to finance the capital costs of housing with supportive services for HOPWA beneficiaries. The supportive services provided should be specifically oriented to meeting the identified needs of the targeted population. Applicants must provide a complete description of the services that will be offered to the proposed target population. While DHCD will evaluate the proposed services as a part of the application review process, no services may be funded with the HCSP funds.

All services offered to residents must be clearly defined and service providers must be identified. DHCD reserves the right to request an outside review of the adequacy and sufficiency of the proposed supportive service program. An appropriate agency or individual at the expense of the applicant will conduct this review.

Applicable Laws and Regulations

Compliance with applicable laws and regulations will be reviewed during annual site visits. The following federal requirements apply:

- Equal Opportunity and Fair Housing
- Affirmative Marketing
- Environmental Review
- Displacement, relocation, and acquisition
- Labor
- Lead-based paint
- Conflict of Interest
- Debarment and suspension
- Flood insurance
- All other applicable state and federal regulations

Application Format

All applications must be bound with clearly labeled tabs for each major section and all attachments. PLEASE NO THREE RING BINDERS. All forms provided in the HCSP Application must be used. Do not recreate these forms on a computer or typewriter. It is important for the application review team to be able to distinguish each section of the application easily and quickly. Applications that do not meet these parameters and are not prepared according to the instructions in the HCSP Application will not be reviewed.

Submit one original and two copies of the application. Only one copy of plans and architectural drawings should be submitted.

Application Parameters

Submit completed application package to:

**Shelter and Supportive Services Unit
Virginia Department of Housing and Community Development
Division of Housing
The Jackson Center
501 North Second Street
Richmond, VA 23219-1321**

(804) 371-7100

All applications for HCSP Funds are due by **5:00 PM** on:

December 3, 2004

FAXED APPLICATIONS WILL NOT BE ACCEPTED

APPENDIX

Appendix I - Description Of Threshold Requirements

Public Purpose

The applicant must provide a narrative, which documents the need for the proposed project. The narrative must describe the specific population to be served and explain why this was selected. The narrative should include the number of persons, from the targeted population(s) if available, in the applicant's service area, the number of turn-a-ways from existing housing facilities in the service area, and other information demonstrating the need for the proposed project. If a local or regional Continuum of Care Plan has been prepared, the need for the proposed project must be related to the needs and priorities identified in the Continuum of Care. The narrative should be placed in the section labeled "Public Purpose" in your application. Letters from local and/or regional officials and service providers, or copies of the relevant section(s) of documents verifying the need for your proposed project should be included as ATTACHMENT C.

Program Design

The applicant must provide a narrative describing in detail the supportive services that are and will be part of the in-house program or provided through linkages in the service area. Letters from other agencies or services providers documenting the provision of services through linkages should be included in the application. The narrative should describe the screening, intake, and orientation procedures for new residents.

Finally, the narrative must include a description of the proposed facility's life/safety policies and procedures. The policies and practices which protect the health and safety of residents, staff, and visitors, include, but are not limited to, drug-free shelter and workplace policies, frequency of fire drills, methods of notification of fire escape routes, methods of eliminating or minimizing exposure to blood borne pathogens, and plans for cleaning the facility, especially food preparation and food service areas. If the HCSP application is for expansion of a currently operating facility, a copy of a fire inspection report dated a maximum of one year prior to submission of the application, as well as documentation of any corrective measures taken, must be included.

Project Readiness

The applicant must provide documented evidence of site control in the form of an Option to Purchase, a Purchase Contract, a Deed, or a Lease Agreement with a minimum term of five years, renewable for an additional five years.

The applicant must provide evidence that the property is zoned appropriately for the proposed use. Such documentation should be in the form of a letter from the local authorized zoning official or a copy of the portion of the local zoning map which clearly indicated the zoning designation of the proposed site and a copy of the corresponding zoning ordinance which defines the allowable uses for that designation.

The applicant must provide preliminary plans, with dimensions, elevations, and a typical room layout; specifications or a work write up and a site plan, if appropriate; and evidence of a working relationship with an architect or engineer who will be preparing plans and specifications for the project.

Project Feasibility

A complete development budget, with adequate documentation of both the sources and uses of funds, development financing, and project time line must be included as a part of the HCSP application.

An operation budget for each of the five years following the completion of the HCSP project must be included. The projections of operating expenses must include documentation of the sources and uses of funds, as available.

Administrative Capacity

The applicant must include documentation of the project owner/sponsor's experience in the provision of housing and services to persons with AIDS or other low-income persons, the experience of the development team for the HCSP project, and the experience of the property management team.

In addition, the project sponsor's organizational structure, current and proposed staffing pattern, and minimum qualification for each staff position, including position descriptions, must be submitted in the application.

Appendix II - HCSP Program - First Mortgage Insurance Requirements

1. A company must be rated at least B+ in Best's Guide.
2. A company's financial category in Best's Guide must be at least ten times the amount of coverage. If the financial criteria are low, a Reinsurance Certificate will be required.
3. A company must be licensed or admitted for Virginia.
4. A mutual or reciprocal company must be non-assessable.
5. All-Risk and Replacement Cost coverage are required.
6. Prior to closing, if rehabilitation or improvements which would increase the hazard at a location are necessary, the mortgagor must provide the Virginia Department of Housing and Community Development with a certificate from an insurance company acceptable to the Department to the effect that it has insurance as would be the equivalent of the coverage that would be provided by a builder's risk policy with All-Risk coverage on a completed value basis for the full insurable value covering the interests of the mortgagor, the Department and any general contractor (with a waiver against subrogation against subcontractors and workers) upon all work incorporated in the development and all materials on or about the property intended for permanent uses in the development, or incident to the installation of the improvements thereof, but not including the machinery, tools or equipment of any general contractor, subcontractors or other workers. Such builder's risk insurance or equivalent shall contain a standard mortgagee clause and shall make losses payable to the Department, the mortgagor or the general contractor as their interest may appear, provided there is no default under the loan documents in which event the Department shall receive such payments. The insuring company as adequate substitution for the required builder's risk coverage permits an endorsement to the All-Risk property insurance policy recognizing the additional risk is acceptable to the Department if such.
7. Upon completion of the rehabilitation or improvements, the mortgagor must provide the Department with a certificate from an insurance company acceptable to the Department evidencing All-Risk and Replacement Cost coverage.

8. The coverage amount must be in an amount equal to at least the full replacement cost. It is the responsibility of the mortgagor and insuring company, not the Department, to establish the replacement value. While coverage for the full mortgage amount is not usually required, the mortgagor must justify large deviations from this figure.
9. If a co-insurance factor is applicable, the amount of coverage must be sufficient to comply with the designated percentage.
10. Agreed Amount coverage is recommended. Such coverage (up to the mortgage amount) will be required in the case of a disputed coverage amount.
11. Business personal property coverage for personal property located on site (office equipment, community room/building furnishings, laundry facilities, lawn and maintenance equipment, etc.) is required.
12. If applicable, Loss of Rents coverage in the amount of one year's gross potential rental income is required. This figure must be updated as rent increases are applied.
13. The Department must be listed as the mortgagee and loss payee as follows:
Virginia Department of Housing and Community Development
501 North Second Street
Richmond, Virginia 23219
14. The subrogation clause should include the following wording:
This insurance shall not be invalidated should the insured waive in writing prior to a loss any or all right of recovery against any party for loss occurring to the property described herein.
15. The cancellation clause must read as follows:
Thirty days written notice of cancellation, expiration, termination or material change will be sent to:
Virginia Department of Housing and Community Development
501 North Second Street
Richmond, Virginia 23219
16. If the policy's liability coverage is low, a certificate evidencing excess/umbrella liability coverage must be submitted. Such excess coverage must adhere to all requirements set forth in this listing. Excess/umbrella coverage is recommended.
17. If applicable, flood insurance must be carried.
18. The following coverage, if applicable, are required: Boiler & Machinery/steam boiler explosion, elevator, plate glass, outdoor sign, commercial space, automobile, plus any other coverage unique to the development.

19. Any other coverage, which the mortgagor feels are needed should be added to the policy.
20. Broad form comprehensive general liability coverage with limits of \$500,000/\$1,000,000 for bodily injury and \$100,000/\$200,000 for property damage must be carried. The mortgagor must maintain policies of insurance against such other hazards, casualties and contingencies as the Department determines necessary. Such will be specified upon receipt and review of the Certificate of Insurance. A duplicate original policy(ies) must be submitted to the Department prior to closing.

APPLICATION

**VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
COMPETITIVE SPECIAL PROJECT • FY 2005**

APPLICATION COVER PAGE

DUE December 3, 2004

Applicant Organization: _____

Contact Person: _____

Title: _____

Address: _____

Phone Number: () _____

Fax Number: () _____

E-Mail: () _____

Project Name: _____

Classification of Project:

☐

Transitional Housing

☐

Permanent Housing

☐

Other (describe) _____

Type of Project: (Check All that Apply)

New Construction ☐

Rehabilitation ☐

Acquisition ☐

Total Number of Units/ Beds Proposed: _____ Units _____ Beds

The following information on the project site must be provided by all applicants:

1. Include a location map as ATTACHMENT A;
2. Include photographs of the site as ATTACHMENT B;
3. In the space below, provide directions to the site from the nearest interstate or major highway.

Do you have site control of the above properties?

Yes ☐ No ☐

Total Amount Requested under the HCSP Funds:

- | | |
|---------------------------------------|----------|
| 1. Total Development Costs | \$ _____ |
| 2. HCSP funds requested | \$ _____ |
| 3. Total Leverage (subtract 2 from 1) | \$ _____ |

Applicable Continuum of Care Plan: _____

Contact Information for Continuum of Care Plan:

Name: _____

Address: _____

Phone Number: () _____

I certify that I have read and understood the HCSP Funds Program Application Manual and have answered the questions in this Application to the best of my ability:

Signature of Authorized Representative

Date

Title

A. Project Description Summary

On no more than four typed pages, using 12-point type on standard 8 1/2 x 11 paper, provide an overview of the proposed project. This description should be placed immediately after this page in your application. No tab is necessary for this part of the application.

Highlight any key aspects of the proposed project such as the total cost of development and the scope of the work, the type of facility, the number of units or beds, the number of staff and their responsibilities, the targeted population(s) to be served, and the average length of stay. If you are expanding an existing facility, identify the number of units or beds currently provided and the increased number planned for the proposed project.

Provide a clear and concise description of the proposed site and the building(s). How much land is involved? How many square feet are in the proposed building(s) or expansion? What is the age of an existing structure planned for acquisition or rehabilitation? Describe the physical layout of the building, including the number of floors, method of accessing upper stories (elevator, stairs), full basement or crawlspace, etc. Is the outside of the facility brick, wood stucco, or aluminum siding? Describe the current and proposed type of heating and cooling systems. Will the residents be responsible for utility bills? If the proposed project involves new construction, are water, sewer, and other utilities available at the site?

Describe the interior layout. Are there separate apartments or individual rooms? How many people will share a room? How many bathrooms? How many common areas? Describe the purpose and use of the common areas. What amenities will be available to the residents (microwaves, refrigerators, ranges, laundry facilities, recreational facilities). Will the amenities be available to residents in individual units or in the common areas? How many meals will be provided each day?

Describe the proximity of basic services such as police, fire, emergency medical, psychiatric, transportation, childcare, and social services to the proposed project site.

B. Statement of Applicant

The undersigned hereby acknowledges the following:

1. To the best of my knowledge and belief, all factual information provided herein or in connection herewith is true and correct and all estimates are reasonable;
2. That the applicant or owner will, at all times, indemnify and hold harmless the Virginia Department of Housing and Community Development (Department) and its assigns all losses, costs, damages, expenses, and liabilities of any nature directly or indirectly resulting from, arising out of, or relating to the acceptance, consideration, approval, or disapproval of this grant request and the issuance or non-issuance of an allocation of HCSP Program funds in connection herewith;
3. The HCSP Program funds will be reserved only for representations made herein for which satisfactory documentation is submitted herewith and that any revised representations made in connection with this application must be approved in writing by the Department; and
4. That the Department may request or require changes in the information submitted herewith and may substitute its own figures, which it deems reasonable for any or all figures provided herein by the undersigned.

In witness thereof, the undersigned, being duly authorized, has caused this document to be executed in its name on this _____ day of _____, 200__.

Type Legal Name of Applicant

By: _____
Signature of Authorized Representative

Its: _____
Position or Title of Authorized Representative

Place the completed Statement immediately after the Project Description Summary in your application.
No tab is necessary for this section.

Place pages 5-7 and the accompanying narratives in a section
Marked "Public Purpose" by a tab.

A. Needs Assessment

1. Acquisition, New Construction, or Expansion of an Existing Facility

Using no more than five typed pages, using 12-point type on standard 8 ½ x 11 paper, describe in detail the need for additional housing in your service area. This description should be placed immediately after this page in your application. Summarize or cite evidence from public sources to document the need for your proposed project. Some sources are the U.S. Census, a local or regional Continuum of Care Plan, local or regional housing studies which refer to the persons with AIDS population(s) you have chosen to serve, or local or regional newspaper articles. You may wish to communicate with some of the following local and regional organizational resources: planning agencies, public housing authorities, and human service agencies such as the Department of Social Service, Community Service Board, Area Agency on Aging, Disability Service Board, Community Action Agency, or the United Way Information and Referral Service. Do not use state or national statistics. Include the number of persons turned away from other AIDS housing facilities in your service area due to a lack of bed space or because these persons did not belong to targeted population(s) served by the facilities. If there are no AIDS facilities in your service area, include this fact in your narrative. Use the Comparable Projects Survey Form to summarize information about similar facilities in your service area. You may use as many copies of this form as necessary.

Describe in detail the characteristics and needs of the population you intend to serve. Explain why you chose to serve the identified population(s).

Provide letters from local and/or regional officials and service providers, or copies of the relevant sections(s) of documents verifying the need for your proposed project in the area as ATTACHMENT C.

2. Acquisition or Refinancing of an Existing Facility

If you are applying to acquire an existing facility or refinance an existing mortgage, on no more than three typed pages, using 12 point type on standard 8 ½ x 11 paper, explain how and why the existing housing units or beds will be lost without funding through the HCSP Program. Include this narrative immediately after this page in your application. Submit supporting documentation for your need for HCSP Program funds as ATTACHMENT D.

DHCD will have discretion regarding the eligibility of any application primarily requesting HCSP Program grant funds for the acquisition or refinancing of an existing facility.

Comparable Projects Survey

In the space below, provide the requested information about similar facilities located in the same general area of your proposed project. If you need additional space, you may copy this Survey as many times as necessary.

Facility Name: _____

Address: _____

Contact Person: _____ Phone Number: _____

Number of Beds/Units: _____ Average Length of Stay: _____

Population(s) Served: _____

Number of Current Vacancies: _____ Reason(s) for Vacancies: _____

Comments: _____

Facility Name: _____

Address: _____

Contact Person: _____ Phone Number: _____

Number of Beds/Units: _____ Average Length of Stay: _____

Population(s) Served: _____

Number of Current Vacancies: _____ Reason(s) for Vacancies: _____

Comments: _____

Facility Name: _____

Address: _____

Contact Person: _____ Phone Number: _____

Number of Beds/Units: _____ Average Length of Stay: _____

Population(s) Served: _____

Number of Current Vacancies: _____ Reason(s) for Vacancies: _____

Comments: _____

B. Community Impact

On no more than two typed pages, using 12-point type on standard 8 ½ x 11 paper, describe how your proposed project will contribute to the social, economic, or physical revitalization of the neighborhood or community in which it is located. This description should be placed immediately after this page in your application.

Examples:

- Collaboration with local officials in a community improvement program, a commercial area revitalization district, or a “Main Street” program.
- The inclusion of the project as part of a local community development corporation’s plan to revitalize the neighborhood or community.
- Collaboration with a local service provider, such as a Community Services Board, to provide services to target population(s) that are currently unavailable and have been identified in a local or regional Continuum of Care Plan as necessary for the locality or region.

C. Accessibility Features

Under the requirements of the HCSP program, a minimum of 5% of units and 100% of common areas in a project meet the Americans with Disabilities Act (ADA) guidelines for accessibility to persons with physical disabilities. The local building code may place additional or more stringent accessibility requirements.

Using the space below, describe how the proposed project will meet the minimum required by the HCSP program. Describe any features, which promote accessibility for persons with physical disabilities such as ramps, doorway(s) and hall way(s) width, bathrooms hardware and fixtures, signage in Braille, TTD’s, or TTY’s, or audio/visual emergency systems.

Place page 8 and the accompanying narratives in a
Section marked "Program Design" by a tab.

A. Program Design Summary

On no more than seven typed pages, using 12-point type on standard 8 ½ x 11 paper, describe in detail the supportive services that will be offered to residents of the proposed facility. This description should be placed immediately after this page in your application.

The supportive services program should address the needs of the population(s) intended to reside in the facility; at a minimum, individual/family needs assessment, case management, and information and referral must be provided. Include procedures for screening, intake, orientation, and needs assessment, and a description of the case management model. For all services planned to be provided through linkages in the community, include letters from other service providers stating that they will provide a particular service(s) to clients residing in your proposed project as ATTACHMENT E. Describe all applicable policies and procedures affecting the health and safety of residents. Such policies and procedures may include, but are not limited to, those relating to:

- Drug free shelter and workplace;
- Fire emergency, including frequency of fire drills and methods of notification of fire, escape routes;
- Natural disaster;
- Medical and mental health emergency;
- Allegations of sexual abuse or physical assault;
- Precautions for handling residents with infectious disease;
- Methods of eliminating or minimizing exposure to blood borne pathogens; and
- Plans for cleaning the facility, especially food preparation and food service areas.

B. Displacement Plan

- Will this project cause the displacement of individuals or families?
_____ Yes _____ No
- If yes, will this displacement be temporary or permanent?
_____ Temporary _____ Permanent
- Enter the number of persons (total number of persons, including single individuals and those in family units) who will be displaced? _____
- If displacement will occur, on no more than two typed pages, using 12 point type on standard 8 ½x11 paper, provide a detailed explanation of your plan to address this problem, including all services and benefits to be provided to displaced residents as ATTACHMENT F. All costs associated with displacement must be included in the proposed project budget.

Place pages 9 in a section marked "Project Readiness"

A. Site Control and Property Information

Indicate the current site control status of your proposed project by providing documented evidence in the form of an **OPTION TO PURCHASE, PURCHASE CONTRACT, DEED, or LEASE AGREEMENT** as ATTACHMENT G. If more than one site is involved in the proposed project, documentation must be provided for each site. If you are entering into an OPTION TO PURCHASE, it is recommended that the term of the option be no less than six months with the possibility of renewal at the end of the original term. If you are entering into a Lease agreement, the term of the lease must be for a minimum of five years, renewable for an additional five years.

B. Zoning

Appropriate Zoning is a requirement for processing this application. Submit documentation of appropriate zoning for your proposed project as ATTACHMENT H. Acceptable documentation may include the following:

- A letter from the authorized local zoning official stating that the proposed project is in compliance with the local zoning ordinance; or
- A copy of the portion of the local zoning map which clearly indicates the zoning designation of the proposed site, and a copy of the corresponding zoning ordinance, which defines the allowable uses for that designation.

C. Request Summary

Include the following as ATTACHMENT I:

- Site plan;
- Line drawing of the proposed structure including dimensions, elevations, and mechanicals;
- Outline specifications; and
- Contract or letter of agreement with an architect documenting they will be providing design services for the proposed project.

D. Unusual Site Features

Using the space below, describe any unusual site features or obstacles to development.

SECTION V - PROJECT FEASIBILITY

Place pages 10-15 in a section marked
"Project Feasibility" by a tab.

A. Development Budget

1. Contractor Cost

a. Land Improvements

- (1) Off-Site Improvements
- (2) Site Work
- (3) Demolition
- (4) Landscaping
- (5) Other (specify)

Land Improvement Subtotal

\$ _____

b. Hazardous Materials

- (1) Asbestos Removal
- (2) Lead Paint Removal
- (3) Lead Paint Abatement
- (4) Other (specify)

Hazardous Materials Subtotal

\$ _____

c. Structures

- (1) New Construction
(\$ _____/sq.)
- (2) Rehabilitation
(\$ _____/sq. ft.)

Structures Subtotal

\$ _____

d. Fees/Profit/Contractor Expenses

- (1) General Requirements
- (2) Builder's Overhead
- (3) Builder's Profit
- (4) Bonding Fee

Fees/Profit/Contractor Expenses Subtotal

\$ _____

Total Contractor Cost (1a+1b+1c+1d)

\$ _____

2. Other Costs and Fees

a. Carrying Costs

(1) Architectural/Engineering Fee – Design

(\$_____ per unit)

(2) Architectural Fee- Supervision

(\$_____ per unit)

(3) Development Consultant's Fee

(4) Building Permit

(5) Tap Fees

(6) Soil Boring

(7) Furniture/Appliances/Equipment

Carry Costs Subtotal

\$ _____

b. Construction Financing Costs

(1) Construction Loan Origination Fee

(2) Interest during Construction

(___ % for ___ months)

(3) Taxes during Construction

(4) Insurance during Construction

(5) Contingency Reserve

(10% of Contractors Costs)

Construction Financing Costs Subtotal

\$ _____

c. Studies and Tests Fees

(1) Structural/Mechanical Study

(2) Market Study

(3) Phase I Environmental Assessment

(4) Asbestos Inspection

(5) Lead Pain Inspection

Studies and Fees Subtotal

\$ _____

d. Closing Costs

(1) Appraisal Fee

(2) Termite Inspection and Treatment

(3) Cost Certification and Audit Fee

(4) Title and Recording Expense

(5) Legal Expenses during Closing

(6) Mortgage Insurance Fee

(7) Other (specify)

Closing Costs Subtotal

\$ _____

Total Contractor Cost (2a+2b+2c+2d)

\$ _____

SECTION V - PROJECT FEASIBILITY

3. Total Development Costs

- a. Total Improvement Costs (Sum of 1 and 2) \$_____
- b. Cost of Land or Existing Structures _____
- c. Other Costs (specify) _____

TOTAL DEVELOPMENT COSTS (3a+3b+3c) \$_____

Development Budget Endnote:

Provide a Construction Trades Payment Breakdown from a qualified contractor as part of
ATTACHMENT J.

SECTION V - PROJECT FEASIBILITY

B. Development Financing

1. Project Financing

A. Construction Financing: List all sources of construction financing for your proposed project.

Source of funds*	Date of Application	Date of Commitment	Grant or Loan	Amount	Name and Phone Number of Contact Person
			G L		
			G L		
			G L		
			G L		
TOTAL FUNDS FOR CONSTRUCTION FINANCING \$					

* Include commitments or letters of interest as ATTACHMENT K

B. Permanent financing: List all sources of permanent financing for your proposed project.

Source of funds*	Date of Application	Date of Commitment	Grant or Loan	Amount	Interest Rate	Amortization Period	Term
			G L				
			G L				
			G L				
			G L				
			G L				
TOTAL FUNDS FOR PERMANENT FINANCING \$							

* Include commitments or letters of interest as ATTACHMENT L

C. Summary of Sources and Uses

- (1) Total of all Sources of Permanent Financing \$
- (2) Total Development Costs(SECTION IV., A3) \$

2. Construction Financing

The HCSP Program does not usually provide construction financing. However, construction financing may be provided to applicants who document at least two unsuccessful efforts to obtain construction financing from conventional sources. If you are requesting construction financing from the HCSP Program, explain the reason in the space below. Attach documentation for your unsuccessful attempts to obtain construction financing from other sources as ATTACHMENT M.

SECTION V - PROJECT FEASIBILITY

C. Project Time Line		
Activity	Anticipated Date	Person Responsible
1. Site		
a. Option/Contract		
b. Site Acquisition		
c. Zoning Plan		
d. Site Plan Approval		
2. Construction Financing		
a. Loan Application(s)		
b. Conditional Commitment(s)		
c. Firm Commitment(s)		
3. Permanent Financing		
a. Loan Application(s)		
b. Conditional Commitment(s)		
c. Firm Commitment(s)		
4. Additional Loans and Grants		
a. Type and Source*		
b. Application(s)		
c. Award(s)/Commitment(s)		
5. Completion of Plans and Specs		
6. Closing on Property		
7. Building Permit Issued		
8. Start of Construction		
9. Completion of Construction		
10. Full Occupancy		
11. Licensure (if necessary)		

Include a listing of all additional loans and grants as ATTACHMENT N.

SECTION VI - OPERATING BUDGETS

Place all completed operating budgets (year 1 and years 2 - 5) in a section marked Operating Budgets by a tab.

The purpose of the operating budgets is to identify the sources and uses of funds necessary to operate the proposed project when it is ready for residents. Complete the information as appropriate to your proposed project. For the first operating year, provide a written explanation of, or documentation in the form of a letter of interest or commitment from, the identified sources of operating funds in ATTACHMENT O. For subsequent operating years, use your best estimates for both sources and uses of funds.

A. Operating Sources	
1. Sources of Income	
Funding Source	Amount of Funding
a. Federal Government	
	\$
	\$
b. State Government	
	\$
	\$
c. Local Government	
	\$
	\$
d. Foundations/Grants	
	\$
	\$
e. Private Contributions	
	\$
	\$
f. In-kind Contributions	
	\$
g. Fund-raising	
	\$
h. Fees/Rental Income	
	\$
TOTAL POTENTIAL GROSS INCOME	
	\$

Attach additional copies if necessary

SECTION VI - OPERATING BUDGETS

B. Operating Uses		
1.	<u>Administrative:</u>	
a.	Advertising/Marketing	\$
b.	Management Fee	\$
c.	Legal	\$
d.	Accounting/Audit/Audited Financial Statements	\$
e.	Administrative Payroll/Payroll Taxes	\$
f.	Other Administrative:	\$
2.	<u>Maintenance:</u>	
a.	Maintenance Supplies/Equipment	\$
b.	Contracted Services	\$
c.	Maintenance Payroll/Payroll Taxes	\$
d.	Other Maintenance:	\$
3.	<u>Operating:</u>	
a.	Fuel (Heating and Hot Water)	\$
b.	Electricity	\$
c.	Water/Sewer	\$
d.	Furniture/Equipment	\$
e.	Gas	\$
f.	Trash Removal	\$
g.	Other Payroll/Payroll Taxes	\$
h.	Staff Apartment(s)	\$
i.	Insurance	\$
j.	Real Estate Taxes	\$
k.	Other Taxes	\$
l.	Annual Replacement Reserve (6% of Total Development Costs)	\$
m.	Security	\$
n.	Other Operating:	\$

SECTION VI - OPERATING BUDGETS

4.	<u>Services:</u>	
a.	Food	\$
b.	Transportation	\$
c.	Household Supplies	\$
d.	Personal Care Supplies	\$
e.	Day Care	\$
f.	Supportive Service Staff Payroll/Payroll Taxes	\$
g.	Other Service Costs:	\$
5.	<u>Totals:</u>	
a.	Total Operating Expenses (sum of B1 through B4)	\$
b.	Total Operating Expense Per Bed or Per Unit	\$
c.	Total Operating Expense as a Percentage of Gross Income	\$
C. Cash Flow		
1.	Total Potential Gross Income (SECTION V., A.)	\$
2.	Total Operating Expenses (SECTION V., B.)	\$
3.	Net Operating Income (C1 less C2)	\$
4.	Total Annual Debt Service (SECTION IV., B.)	\$
5.	Cash Flow Available for Distribution (C3 less C4)	\$

All applicants must submit Operating Budgets for five years. The Operating Budget for years 2 through 5 is included in the Application Manual as Appendix 5. For years 2 through 5, documentation of the sources and uses of funds should be included in ATTACHMENT P, as available. Include completed Operating Budget for years 2 through 5 immediately following this page in your application.

SECTION VII - ADMINISTRATIVE CAPACITY

Place pages 19 and 20 and the accompanying narratives in a section marked Administrative Capacity by a tab.

A. Development Team
<p>Complete the following as applicable to the proposed project. Include a resume or corporate profile of each member of the Development Team as ATTACHMENT Q.</p> <p>1. General Contractor: Firm: Address: Phone Number: _____ Fax Number: _____</p> <p>2. Architect/Engineer: Firm: Address: Phone Number: _____ Fax Number: _____</p> <p>3. Real Estate Attorney: Firm: Address: Phone Number: _____ Fax Number: _____</p> <p>4. Consultant: Firm: Address: Phone Number: _____ Fax Number: _____</p> <p>4. Other(specify name and role): Firm: Address: Phone Number: _____ Fax Number: _____</p>

SECTION VII - ADMINISTRATIVE CAPACITY

B. Management
On no more than two typed pages, using 12-point type on standard 8 ½ x 11 paper, describe the relevant experience of the individual or organization responsible for the day-to-day management of the proposed facility. This description should be placed immediately after this page in your application. Include a resume or corporate profile of the manager or management organization as ATTACHMENT R.
C. Project Sponsor
On no more than five typed pages, using 12 point type on standard 8 ½ x 11 paper, describe the project sponsors administrative structure, staffing pattern, and a summary of the responsibilities of each staff position. Describe the project sponsors experience in the provision of shelter and services to persons with AIDS. This description should be placed immediately after the description of Management pages. Include resumes, as available, and position descriptions for all staff positions as ATTACHMENT S.
D. Additional Information
<p>Non-profit organization applicants must provide, as ATTACHMENT T, a copy of the Articles of Incorporation, By-Laws, 501 (c) (3) identification, the most recent audit or financial review, and a list of the Board of Directors. This list should include names, addresses, phone numbers, and occupations. Indicate and explain which board members have experience with an AIDS housing facility.</p> <p>Local government applicants must provide, as ATTACHMENT U, an organizational chart indicating the lines of authority from the proposed project to the Chief Executive Officer. Provide resumes for key administrative and supervisory personnel who will be involved with the proposed project.</p>

Attachments to be included as a part of the HCSP Application. Please attach and label all documents in the order and manner requested below. Check (%) the box beside each Attachment that is included as a part of your application. Place page 21 in a section marked Check List by a tab. This tabbed section should be placed immediately before Attachment A in your application.

- | | | | |
|--------------------------|---------------|--|---|
| <input type="checkbox"/> | ATTACHMENT A: | Location Map | |
| <input type="checkbox"/> | ATTACHMENT B: | Photographs | |
| <input type="checkbox"/> | ATTACHMENT C: | Documentation of need for proposed project | |
| <input type="checkbox"/> | ATTACHMENT D: | Documentation for acquisition or refinancing an existing facility | |
| <input type="checkbox"/> | ATTACHMENT E: | Documentation of linkages with other service providers | |
| <input type="checkbox"/> | ATTACHMENT F: | Displacement plan | |
| <input type="checkbox"/> | ATTACHMENT G: | Site control documentation | |
| <input type="checkbox"/> | ATTACHMENT H: | Zoning documentation | |
| <input type="checkbox"/> | ATTACHMENT I: | Site plan, floor plan, specifications, and contract or letter of | agreement with architect |
| <input type="checkbox"/> | ATTACHMENT J: | Trades payment breakdown | |
| <input type="checkbox"/> | ATTACHMENT K: | Letters of interest or commitment from sources of construction | financing |
| <input type="checkbox"/> | ATTACHMENT L: | Letters of interest or commitment from sources of permanent | financing |
| <input type="checkbox"/> | ATTACHMENT M: | Documentation of attempts to obtain construction financing | |
| <input type="checkbox"/> | ATTACHMENT N: | List of loans and grants for financing proposed project | |
| <input type="checkbox"/> | ATTACHMENT O: | Documentation of 1st year operating income other than rent | payments from tenants |
| <input type="checkbox"/> | ATTACHMENT P: | Documentation of operating income other than rent for years 2 - 5 | |
| <input type="checkbox"/> | ATTACHMENT Q: | Development team documentation | |
| <input type="checkbox"/> | ATTACHMENT R: | Manager or management team's documentation | |
| <input type="checkbox"/> | ATTACHMENT S: | Documentation of project sponsor capacity | |
| <input type="checkbox"/> | ATTACHMENT T: | Nonprofit information (<i>Internal Revenue 501 (c) designation,</i>
<i>Articles of Incorporation, State Corporation Certificate,</i> | <i>Agency By-laws, and Organizational Chart and Staff</i> |
| <i>Structure)</i> | | | |
| <input type="checkbox"/> | ATTACHMENT U: | Local government information | |
| <input type="checkbox"/> | ATTACHMENT V: | Completed environmental checklist | |

HCSP
Environmental Checklist

Project Name: _____

Location: _____

Impact Categories

Please answer “yes” or “no” to the following question. Explain all “yes” responses.

- Historic Property

_____ Is the property listed on the National Register of Historic Places?

_____ Is the property near a historic property or district?

_____ Is the property’s use compatible to other uses in the area?

Explain:

- Floodplain

_____ Is the site located in a Floodplain Zone? If yes, which one?

Explain:

- Air quality

_____ Does the Virginia Department of Environmental Quality identify the project within a non-attainment area as?

Explain:

- Noise

_____ Are any railroads located within 3000 feet of the project? If yes, are any within normal sight distance?

_____ Are any major arterial roadways located within 1000 feet of the project? If yes, are they within normal sight distance?

_____ Are there any airports within 15 miles of the project? If yes, is the project located in a high noise zone?

Explain:

- Hazardous Materials

_____ Are there above ground storage tanks with a capacity of over 5000 gallons within normal sight distance? If yes, how many?

_____ List the substance(s) that are kept in the storage tanks

_____ Are there underground storage tanks on the property?

Explain

Water Quality and Wetlands

Please answer "yes" or "no" to the following question.

_____ Are there any bodies of water within sight of the property? If yes, state type:

List Other Environmental Concerns:
